

Message Text

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PAGE 01 CARACA 02179 132151 Z

62

ACTION EB-11

INFO OCT-01 ARA-11 ADP-00 AID-20 NSC-10 RSC-01 CIEP-02

SAL-01 SS-14 STR-08 OMB-01 CEA-02 L-03 H-02 CIAE-00

COME-00 FRB-02 INR-09 NSAE-00 TRSE-00 XMB-07 OPIC-12

LAB-06 SIL-01 INT-08 DODE-00 PA-03 USIA-12 PRS-01

RSR-01 /149 W

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R 132059 Z MAR 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 9051

UNCLAS CARACAS 2179

E. O. 11652: N/ A

TAGS: ENRG VE

SUBJECT: PETROLEUM: SHELL' S EARNINGS DOWN SHARPLY

REF: CARACAS A-049

1. A REPORT, JUST ISSUED, OF SHELL OF VENEZUELA' S EARNINGS FOR 1972 ILLUSTRATES THE EFFECT OF VENEZUELA' S SYSTEM OF EXPORT QUOTAS AND FINES INITIATED LAST YEAR. SHELL' S PROFITS FELL FROM BS307 MILLION IN 1971 TO ONLY BS34 MILLION IN 1972. AT THE SAME TIME, SHELL' S PAYMENTS TO THE VENEZUELAN GOVERNMENT INCREASED (BY 6 PERCENT) TO BS2,147 MILLION, WITH THE RESULT THAT THE GOVERNMENT' S SHARE OF SHELL' S EARNINGS BECAME 98 PERCENT IN 1972.

2. SINCE SHELL' S PRODUCTION FELL BY MORE THAN THAT OF MOST COMPANIES HERE LAST YEAR, IT INCURRED HEAVIER FINE AND HAD TO PAY A HIGHER PROPORTION OF ITS INCOME TO THE GOVERNMENT THAN MOST OF OTHER COMPANIES. THE GOVERNMENT' S SHARE OF PROFITS OF THE VENEZUELAN OIL INDUSTRY AS A WHOLE LAST YEAR WAS IN NEIGHBORHOOD OF 85 - 90 PERCENT.
DEVINE

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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

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Disposition Event:
Disposition History: n/a
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